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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 1998 to 30 June 1999 (A/54/708) and the proposed budget for UNIFIL for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/724). During its consideration of these reports, the Advisory Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. The United Nations Interim Force in Lebanon was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The mission's mandate has been extended several times by the Council, most recently in its resolution 1288 (2000) of 31 January 2000, by which the Council extended the mandate of the Force until 31 July 2000.

3. The Advisory Committee notes that amounts totalling $3,040.5 million have been assessed on Member States in respect of UNIFIL since its inception to 31 December 1999 and that contributions received as at 31 December 1999 totalled $2,931.9 million. Outstanding balances amount to $108.6 million.

4. Cash balances as at 31 January 2000 amounted to $127.4 million. Furthermore, the Advisory Committee was informed that troop-contributing countries had received payments totalling $860,345,895 for the period from 1 December 1989 to 30 April 1999, and that an estimated amount of $38,632,863 was still due for the period from 1 May to 31 December 1999.

Performance report for the period from 1 July 1998 to 30 June 1999

5. The report of the Secretary-General on the financial performance of UNIFIL for the period from 1 July 1998 to 30 June 1999 (A/54/708) outlines the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of the Force.

6. Paragraph 12 and table 1 of the report indicate that total resources made available to UNIFIL for the period from 1 July 1998 to 30 June 1999 amounted to $142,984,560 gross ($139,133,100 net), inclusive of the amount of $7,152,700 for the support account for peacekeeping operations. Expenditures amounted to $134,655,200 gross ($131,048,500 net), resulting in an unencumbered balance of $8,329,300 gross

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($8,084,600 net). This balance, which represents approximately 5.8 per cent in gross terms of the amount appropriated, was due largely to lower than budgeted actual troop strength, a high vacancy rate for civilian staff, savings under vehicles resulting from favourable unit cost rates obtained for the purchase of vehicles under a systems contract and the receipt of other vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy.

7. The Advisory Committee notes, as indicated in paragraph 12 and table 1 of the performance document, that unliquidated obligations amounted to $52,136,300 as at 30 June 1999. However, the Committee was informed that they had been reduced to $22,321,570 as at 31 December 1999. Of this amount, $12,879,046 was government-related, whereas $9,442,524 was non-government-related.

8. The Advisory Committee was also informed of a contingent liability, estimated at $1,486,652, related to equipment brought to the mission by troop contributors for which no provision was included in the budget and therefore was not reflected in the financial statements. The Committee was informed that this had been an inadvertent omission, but that action had been taken to avoid a recurrence in future. **The Committee recommends that proposals to deal with this liability be presented in the context of the next budget submission for UNIFIL.**

9. Savings of $2,384,400 are reported under military personnel costs. These were mostly due to the deployment of a lower average number of troops, an average strength of 4,499 military contingents compared with an authorized strength of 4,513, as shown in table 2 of the performance document, and lower actual costs for ration requirements for the period between the expiry of an old contract and the award of a new one, effective 1 April 1999. As indicated in paragraph 11 of the report, while the competitive bidding was under way, interim arrangements were made for the local purchase of dry and frozen rations as well as for the use of reserve stock.

10. Savings of $3,337,500 are recorded under civilian personnel costs, resulting mostly from an international staff vacancy rate of 14 per cent owing to the temporary assignment of staff to other missions. Under operational requirements, savings amounting to $3,565,500 (12 per cent) are indicated out of an apportionment of $27,840,100. In this regard, the Advisory Committee notes that savings of $75,000 are indicated under premises and accommodation owing to the reimbursement by the Government of Lebanon of the rental charge of $132,000 for UNIFIL House in Beirut during this period. Under-expenditures of $3,663,500, out of an apportionment of $14,937,100, are also reported under transport operations, as a result of the transfer of 10 heavy vehicles and spare parts from the United Nations Logistics Base at Brindisi, favourable per vehicle costs as a result of a systems contract, discounts for spare parts, lower prices for gasoline, diesel fuel and kerosene, and lower vehicle insurance premiums for general-purpose vehicles.

11. Offsetting these under-expenditures, additional requirements of $634,000, as compared with the initial provision of $2,463,400, are indicated under other equipment, due mostly to the purchase of computer hardware and software and the upgrading of the local computer network to ensure year-2000 compliance.

12. Paragraph 14 of the report indicates that the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNIFIL is a decision on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999. **The Advisory Committee recommends that Member States be credited their respective shares of the unencumbered balance for the period in question in a manner to be determined by the General Assembly.**

Proposed budget for the period from 1 July 2000 to 30 June 2001

13. The cost estimates submitted by the Secretary-General for the period from 1 July 2000 to 30 June 2001 (A/54/724) amount to $139,547,600 gross ($135,721,900 net), inclusive of a $180,000 budgeted voluntary contribution. The latter relates to the contribution by the Government of Lebanon of the UNIFIL House in Beirut since February 1998. This estimate reflects a net decrease of $541,600 in resources, or 0.4 per cent, compared with the resources of $139,909,200 approved for the previous 12-month period, resulting from decreases under civilian personnel costs, operational requirements and staff assessment costs, which were partially offset by

increases under military personnel and other programmes.

14. The proposed budget provides for the maintenance of the Force, which comprises 4,513 troops supported by a civilian establishment of 491 staff, including 141 international and 350 local posts. The Advisory Committee was informed that as at 31 December 1999 there were 4,493 troops in UNIFIL; of the 146 authorized international staff posts, 106 were encumbered, and all of the 344 authorized local staff posts were encumbered.

15. The proposed budget reflects an increase of $745,600, or a 1.0 per cent increase in military personnel costs over the amount apportioned for 1999/00, resulting from additional requirements of $144,300 under contingent-owned equipment to cover the wet-lease costs for crew-served weapons ($296,820), patrol dogs ($26,850) and ammunition ($361,630). The increase also reflects the first-time provision for reimbursement for self-sustainment ($550,143), as indicated in paragraph 19 of the budget document, in accordance with General Assembly procedures. In this regard, the Advisory Committee was informed that on 15 February 2000 a memorandum of understanding had been signed with a troop contributor to cover equipment and self-sustainment.

16. The Advisory Committee recalls that in its previous report on the financing of UNIFIL (A/53/895/Add.1, para. 43) it had indicated that the Secretariat was drawing up a plan to introduce the new contingent-owned equipment arrangements to UNIFIL. Upon enquiry, the Committee was informed that aside from the reluctance of its troop contributors to convert to new contingent-owned equipment arrangements, the other factor slowing the change was the fact that much of the equipment was owned by the United Nations, and therefore extensive discussions and negotiations were required with the troop contributors involved.

17. The Advisory Committee was also informed that most crew-served weapons, which had been in use by the mission since the biennium 1986-1987, were in urgent need of replacement. After a survey was conducted and recommendations were made for replacement and improved maintenance practices, the transition to wet-lease provision and maintenance was expected to be implemented by 2000/01 and budgeted for accordingly, as indicated in paragraph 15 above.

18. The proposed requirements under civilian personnel costs, which amount to $25,560,200, reflect a 1.9 per cent decrease in comparison with the budget for the previous period. The total staffing component of 491 posts would consist of 141 international (23 Professional, 41 General Service and 77 Field Service) and 350 local staff, compared with the staff authorized for the current period, which also totals 491 posts, including 147 international (22 Professional, 45 General Service and 80 Field Service) and 344 local staff. As indicated in paragraphs 21-23 of the report, the proposed staffing would include the establishment of one new P-3 post, for a Supply Management Officer, the reclassification of a Budget Cost Control Officer post from P-3 to P-4 and a Civilian Engineer post from P-2 to P-3, the abolition of a General Service post in the Office of the Chief Administrative Officer, the redeployment of a Field Service post to that office from the Communications Section and the conversion of three General Service and three Field Service posts into six Local-level posts, of which three would be assigned to the Electronic Data Processing Section and three to cleaner/kitchen-helper functions for battalions and the Force Mobile Reserve.

19. Upon enquiry, the Advisory Committee was informed that the three local staff posts proposed were part of the 38 previously requested by the Secretary-General in his budget for 1998/99. Those three local workers, hired since the 1980s, are currently charged against General Service posts, which now need to be re-allocated. The conversion of those posts would result in a cost reduction of $88,400 in the proposed budget, consistent with the request of the General Assembly in its resolution 53/227 of 8 June 1999, in which it requested the Secretary-General to continue his efforts to recruit local staff in order to reduce the cost of employing General Service staff. **The Committee recommends acceptance of the staffing changes proposed by the Secretary-General.**

20. A vacancy factor of 5 per cent is incorporated for international staff, based on experience, as indicated in paragraph 5 of annex I.C. No vacancy factor is incorporated for local staff. The Advisory Committee notes, however, that the average vacancy rate for international staff was 10 per cent for 1997/98 and 14 per cent for 1998/99, as indicated in paragraph 10 above. For the period 1999/00, the Committee was informed that as at 31 December 1999, of the 146 authorized international posts, 106 were encumbered.

Upon enquiry, the Committee was informed that if an 8 per cent vacancy factor were applied to international staff, total costs would amount to $16,580,884 instead of $17,121,565. **The Committee believes that a vacancy factor of 8 per cent would better reflect reality and past experience.**

21. The Advisory Committee recalls that in its previous report (A/53/895/Add.1, para. 47) it referred to the use of mission appointees and the fact that it had been informed that there were no staff under the 300 series rules in UNIFIL, the United Nations Disengagement Observer Force, the United Nations Truce Supervision Organization, the United Nations Peace-keeping Force in Cyprus, or the United Nations Logistics Base at Brindisi, since they were considered established duty stations. The Committee also indicated that, upon enquiry, it had been informed that there were no operational impediments to prevent the hiring of 300-series employees. The Committee sought additional information in this regard and was informed by a representative of the Office of Human Resources Management of the current practices with regard to the use of limited duration contracts that relate to two pilot schemes (one at the United Nations, another at the United Nations Development Programme), which were approved by the International Civil Service Commission (ICSC) and endorsed by the General Assembly in its resolution 52/216 of 22 December 1997 (see also para. 25 of the Committee's omnibus report on the financing of peacekeeping operations A/54/841). The Committee notes that ICSC is expected to continue its discussions on the issue of appointments of limited duration based on the experience obtained up to now with both pilot projects at its summer session in 2000.

22. The proposed budget reflects a 2.7 per cent decrease in operational costs, from $30,695,700 to $29,871,100, compared with the budget for 1 July 1999 to 30 June 2000, and includes non-recurrent requirements of $11,690,300. In this connection, non-recurrent provisions of $6,658,216 for the replacement of 118 vehicles, out of a fleet of 1,085 in current inventory, based on established replacement policy, and of $223,000 for workshop equipment are included under transport operations. The increase of $1,009,900 under petrol, oil and lubricants, as indicated in paragraph 13 of annex I.C, takes into account the latest market prices as at January 2000.

23. The increase from $2,693,400 to $2,867,800 under premises and accommodation includes non-recurrent costs of $1,328,000 for the maintenance, asphalting and sealing of the existing road system within the area of operations. The Advisory Committee also notes that the proposed requirements under other equipment increase from $2,817,600 to $3,345,200. In this regard, non-recurrent costs of $2,226,200 relate to the replacement of obsolete or worn-out equipment, as detailed in annex II.C, including a provision of $846,650 under electronic data-processing equipment. The Committee notes from paragraph 17 of annex I.C that the Force is proposing to replace 132 desktop computers and 14 laptops, or 25 per cent of the current holdings of 526 and 55 respectively. Moreover, UNIFIL has replaced 254 desktop computers and 38 laptops during the last three financial periods. The views of the Committee on the replacement cycle of data-processing equipment are contained in paragraphs 35 and 36 of its omnibus report (A/54/841).

24. **In view of the resources requested by UNIFIL under this budget item in the past, the Advisory Committee recommends that at this time UNIFIL replace only 20 per cent of its total holdings of data-processing equipment (requirements would amount to $438,650), which, along with the provision for $358,500 for additional purchases, totals $797,150 instead of the $846,650 mentioned above.**

25. The Advisory Committee notes that the estimates of the direct support provided by the United Nations Truce Supervision Organization to UNIFIL is provided in annex III to the budget document. In this regard, the Committee notes, for the period from 1 January 2000 to 31 December 2001, that the associated costs amount to $4,853,900 — a decrease of $398,500 compared with the previous biennium.

26. The Advisory Committee recalls that in paragraph 11 of its resolution 53/227, the General Assembly requested the Secretary-General to take the necessary measures to ensure the full implementation of the decisions of the Assembly regarding the Qana incident and to report on that matter to the Assembly at its fifty-fourth session. In this regard, the Committee notes that information is provided in paragraphs 25 and 26 of the budget report indicating that the amount of $1,284,633 had been recorded under accounts receivable for UNIFIL and that the Secretariat had addressed three letters to the Permanent Representative of Israel, to which no response had yet been received.

27. The actions to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNIFIL are outlined in paragraph 3 of the report. The Secretary-General proposes that the Assembly appropriate an amount of $139,367,600 gross ($135,541,900 net) for the 12-month period beginning on 1 July 2000, to be assessed at the monthly rate of $11,613,966 gross ($11,295,158 net), subject to the extension of the mandate of the Force by the Security Council beyond 31 July 2000. **The Advisory Committee recommends approval of the Secretary-General's proposal, after adjustment for the reductions of $540,681 and $49,500 recommended by the Committee in paragraphs 20 and 24 above.**